



COMPENSATION OF THE CHAIRMAN AND THE CEO

In accordance with the recommendations of the AFEP-MEDEF corporate governance code, Sanofi is publishing below details of the compensation arrangements for its Chairman and its Chief Executive Officer as approved by the Board of Directors at its meeting of March 2, 2017, acting on recommendation from the Compensation Committee.

Compensation arrangements for the Chairman

For 2016, the fixed compensation of Serge Weinberg was maintained at an annual amount of €700,000.

In line with our compensation policy he did not receive any variable compensation and was not awarded any stock options or performance shares. Nor did he receive any attendance fees in his capacity as a Director.

Serge Weinberg does not benefit from the Sanofi top-up pension plan.

For 2017, his fixed stipend has been maintained unchanged at €700,000.

Compensation arrangements for Olivier Brandicourt

At its meeting of March 3, 2016, acting on recommendation from the Compensation Committee, the Board of Directors set the terms of Olivier Brandicourt's compensation for 2016.

For 2016, the fixed compensation was maintained at €1,200,000.

His variable annual compensation was in a potential range between 0% and 250% of his fixed annual compensation, with a target of 150%. His variable compensation was established on the basis of the following criteria:

- The financial targets (40%). This objective included sales growth (one-third) and growth in Business Net Income (two-thirds);
- The individual objectives (60%). These criteria covered:
 - new product launches (10%) ;
 - research and development (15%) ;
 - ongoing transformation of the Group (25%) ; and
 - organization and staff relations (10%).

Acting on recommendation from the Compensation Committee, the Board of Directors meeting of March 2, 2017, reviewed the attainment of each criterion and sub-criterion. The Board's conclusions are summarized in the table below.

	CRITERION	TYPE	WEIGHTING	TARGET/ CAP	OUTCOME	COMMENTS	ATTAINMENT
FINANCIAL OBJECTIVES (40%)	Sales	Quantifiable	13.3%	19.95% / 33.25%	Slightly below target	Confidential target	194.1%
	Business net income ^(a)	Quantifiable	26.7 %	40.05% / 66.75%	Substantially above target		
INDIVIDUAL OBJECTIVES (60%)	New product launches	Quantifiable	10%	15% / 25%	Below target	Confidential target	142.1%
	Research and development	Quantifiable	15%	22.5% / 37.5%	Above target	Registrations and submissions in line with budget. Proofs of concept in line with budget. Promising new product pipeline and control over R&D programs.	
	Ongoing transformation of Sanofi	Qualitative	25%	37.5% / 62.5%	Below target	Closing of the swap with BI, definition of the digital strategy. No significant acquisition.	
	Organization and staff relations	Qualitative	10%	15% / 25%	On target	Simplification of the organizational structure completed. Work on succession planning ongoing. Executive Committee staffing.	
TOTAL			100%	150% / 250%			162.9%

(a) For a definition, see "Item 5. Operating and Financial Review and Prospects — A.1.5. Segment information — 3/ Business Net Income" of our annual report on Form 20-F.

Acting on a recommendation from the Compensation Committee, the Board of Directors meeting of March 2, 2017 set Olivier Brandicourt's variable compensation for 2016 at €1,954,800, equivalent to 162.9% of his fixed compensation.

Olivier Brandicourt's variable compensation for 2016 will be paid in 2017.

Acting on a recommendation from the Compensation Committee, the Board of Directors meeting of March 2, 2017 decided to maintain Olivier Brandicourt's fixed annual compensation at the same level as for 2016 (€1,200,000), and also to retain the same variable annual compensation structure whereby 40% is based on financial indicators (sales growth one-third, business net income two-thirds) and 60% on specific individual objectives.

Those individual objectives comprise:

- launch excellence (10%);
- mergers and acquisitions (14%);
- business transformation (12%);
- people and organization (12%); and
- pipeline of new products (12%).

For 2017, Olivier Brandicourt's variable compensation will be in a range between 0% and 250% of his fixed compensation, with a target of 150%.

Acting on a recommendation from the Compensation Committee, the Board of Directors meeting of March 2, 2017 decided to award Olivier Brandicourt 220,000 stock subscription options and 50,000 performance shares in respect of the 2017 financial year.

For more details on the compensation of our directors and corporate officers, refer to our 2016 Annual Report on Form 20-F, a copy of which is available on our corporate website at www.sanofi.com.